

GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Proh. & Excise/APSBCL- Rationalization of ARET, VAT, AED/ACD and Special Margin in consonance with Government Policy of reduction in consumption of liquor - Orders- Issued.

Revenue (Excise) Department

G.O.Ms.No.556

Dated:17.11.2023.

Read the following:-

1. G.O Ms.No.422 Revenue (Excise-II) Department Dt: 30.09.2019
2. G.O Ms.No.128 Revenue (Excise-II) Department Dt: 04.05.2020
3. G.O Ms.No.129 Revenue (Excise-II) Department Dt.05.05.2020
4. G.O Ms.No.256 Revenue (Excise) Department Dt.03.09.2020
5. G.O Ms.No.312 Revenue (Excise) Department Dt. 29.10.2020
6. G.O Ms.No.312 Revenue (CT-II) Department Dt. 09.11.2021
7. G.O Ms.No.313 Revenue (Excise) Department Dt. 09.11.2021
8. G.O Ms.No.363 Revenue (Excise) Department Dt. 18.12.2021
9. G.O Ms.No.290 Revenue (Excise) Department Dt. 27.04.2022
10. Letter No. APSBCL/MM/ARET/2023-24 of the CDB & MD, APSBCL dt. 07.11.2023

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ORDER:

The Government by its avowed policy is committed to reduction in the consumption levels of alcohol in the state with a view to improve the physical standards of the people. Several proactive steps have been taken by the government in this direction. Notable among them are removal of 43000 Belt shops, removal of private persons from retailing of liquor, dispensing with permit rooms, reduction in number of retail outlets, reduction in maximum possession limit of liquor, enhancing punishments for Excise related offences, entrustment of retail trade in liquor to APSBCL etc.

2. Further, in order to discourage consumption of liquor, a tax in the form of Additional Retail Excise Tax (ARET) has been levied, increased and rationalized from time to time in the orders issued in the references from 1st to 5th read above.

3. Furthermore, it is also submitted that vide reference 7th cited, the Government have specified Special Margin at varying rates which is income to the Corporation for meeting expenditure towards implementation of various welfare programs statutorily mandated and it was also revised in the references 8th and 9th cited. In the same references i.e. 8th and 9th cited the Government have further rationalized VAT, AED/ACD and Special Margin.

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4. In the reference 10th read above, the Commissioner of Distilleries and Breweries & Managing Director, A.P State Beverages Corporation Limited has submitted a proposal stating that there are (5) orders issued on the same subject of ARET from time to time. It is felt desirable that instead of levying ARET as a fixed component basing on the MRPs, it could be better levied as a percentage of Basic prices of IMFL, FL, Beer, Wine and RTD varieties approved for supply. The proposed levy of ARET as a percentage of Basic Price brings about an equitable levy on all brands while avoiding minor distortions with regard to higher sizes of liquor/beer bottles under the existing practice of levy as a fixed component basing on MRP slabs of different sizes of liquor bottles.

5. The proposed levy of ARET as a percentage of basic price has necessitated further revision of VAT, AED/ACD and Special Margin at flat percentages so as to protect the Government Revenues as well as income of the Corporation while keeping the MRPs of most of the liquor brands unchanged and in consonance with Government Policy of reduction in consumption of liquor.

6. The Government have carefully examined the matter and accordingly the following notification will be published in an extra-ordinary issue of the A.P Gazette on 17.11.2023.

NOTIFICATION

In exercise of the powers conferred by Sub sections 1 & 2 and Clause (e) of Section 22 of AP Excise Act, 1968 and in partial modification of the orders issued in the references 8th & 9th and 1st to 5th read above, the Government hereby rationalize the rates of AED/ACD and ARET as detailed in the tables given below.

Further, in exercise of the powers conferred under Section 4-A of the A.P Regulation of Trade in IMFL & FL Act, 1993 and in partial modification of the orders issued in the reference 7th to 9th read above, the Government hereby rationalize the rates of Special Margin as detailed in the table given below.

Furthermore, in exercise of the powers conferred under Sub section 1 of Section 79 of the A.P VAT Act, 2005 and in partial modification of the orders issued in the reference 6th, 8th and 9th read above, the Government hereby rationalize the rates of VAT as detailed in the tables given below.

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Table- 1

Sl.No	Description		% of ARET on Basic Price	AED %	AP VAT %	Rate of Special Margin %
1	IMFL	Basic Price upto Rs.2500	250	10	10	110
		Basic Price above Rs.2500	150	10	10	110
2	Beer		225	10	10	110
3	Wine		200	10	10	110
4	RTD		50	10	10	110

Table- 2

Sl.No	Description	% of ARET on Assessable Value	AAF %	AP VAT %
1	FL	75	10	60

7. These orders shall come into force with effect from 18.11.2023.

8. The Commissioner of Distilleries and Breweries & Managing Director, A.P State Beverages Corporation Limited and the Commissioner of Prohibition and Excise shall take necessary action in the matter accordingly. The Commissioner of Distilleries and Breweries & Managing Director, A.P State Beverages Corporation Limited shall review the implementation on regular basis and report compliance.

9. This order issues with the concurrence of the Finance (FMU-REV) Department vide their U.O. No. FIN01-FMU0MISC/542/2023-FMU-REV, (Computer No: 2265366), Dated:14.11.2023.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

**Dr. RAJAT BHARGAVA
SPECIAL CHIEF SECRETARY TO GOVERNMENT**

To

The Commissioner of Printing, Stationary & Stores Purchase, A.P.,
Vijayawada.

The Commissioner of Distilleries and Breweries & Managing Director,
A.P. State Beverages Corporation Limited, Vijayawada.

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The Commissioner of Prohibition & Excise, A.P., Vijayawada.

Copy to:

The PS to Principal Secretary to CM.

The PS to Minister for Finance.

The PS to Deputy Chief Minister (Excise).

The Finance (FMU-REV) Department.

The Chief Commissioner of State Taxes, A.P., Vijayawada.

The PS to Secretary to Govt., Commercial Taxes Department.

The Revenue (CT-II) Department.

The PS to Spl. C.S. to Govt., Revenue (P&E) Department.

SF/SC.

//FORWARDED::BY ORDER//


SECTION OFFICER